The Industrial Labour Welfare Association Ltd.,

COIMBATORE.

Speech by

Mr. G. D. NAIDU

President, Industrial Labour Welfare Association Ltd.,

AND

Reply by

Mr. LAKSHMIPAT SINGHANIA,

President of the Federation of Indian Chambers of Commerce and Industry.

GOPAL BAGH, 7—7—1956 COIMBATORE.

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At the request of the Indian Chamber of Commerce, Coimbatore, the Federation of the Indian Chambers of Commerce and Industry, New Delhi, held their meeting at Coimbatore for three days on the 5th, 6th and 7th of July, '56. Mr. G. D. Naidu, the President of this Association, extended an invitation to all the members for a Tea under the auspices of this Association which they accepted to have on 7th July, 1956 at 5-30 P. M., at "Gopal Bagh". Almost a great number of industrialists and business people attended the function. Mr. G. D. Naidu delivered a speech about the good work the Federation is doing and suggesting that the Second Five Year Plan may be entrusted to them. Mr. Lakshimipat Singhania, President of the Federation of Indian Chambers of Commerce and Industry, replied in the usual way.

Speech by

Mr. G. D. NAIDU

on 7—7—1956.

Dear President, Members and Friends,

I remember in March 1953 or so, I attended the Federation Meeting in Delhi and at that time I invited the President, the Secretary, Mr. Batchittar Singh, Mr. Mody and other Members of the Federation to come to Coimbatore. All of them said "Yes, Yes, Thank you. We are very glad to come to your place, certainly we will all come". But when again I put them the question "When will you come?" - all of them answered that they would come sometime later on. Since then, the brother of the President alone came with his family on a pilgrimage tour, visited Coimbatore and stayed some hours here on their way to Ooty, Mysore and other places.

After that I met Mr. Modi once and he too promised to come here and perhaps he too has forgotten his word. Then in the beginning of this year when Mr. J. S. Kannappar, the Secretary of the Indian Chamber of Commerce, Coimbatore, and myself attended the Federation Meeting at Delhi, we dreamt over the past request and the same reply they all gave. Again we invited the President and other Members.

Particularly we invited personally the President Lala Lakshmipat Singhania, Mr. Bachittar Singh, Rao Bahadur G. M. Modi, and Sir Lala Shri Ram to come here. If the Coimbatore Chamber of Commerce invites, they said they would certainly come without any hesitation. Then Mr. G. R. Govindarajulu, the President of the Indian Chamber of Commerce, Coimbatore was kind enough to confirm our invitation officially, and requested the Members to hold the Federation Meeting at Coimbatore. They have come and our old dream has become real in action.

I am sorry to say that some of the good friends, such as Rajah Sir M. A. Muthiah Chettiar, have left on urgent business or on some usual excuse. The other friends who are present here want to leave Coimbatore today itself with similar excuse, but I request them to stay a few days more to see the real Coimbatore and the real South India, in order to compare this town with big cities like Bombay, Calcutta, Delhi, Kanpur, Ahmedabad etc., or to compare this with Jamshedpur, Tatanagar, Kirloskarwadi, Modinagar and several other industrial towns. If they leave today, first I have to tender my heartfelt thanks to Mr. Modi, Mr. Podar, Mr. Jain, Mr. Bachittar Singh, Mr. Kirloskar and Mr. Subba Rao, who were kind enough to stay with me. I

won't forget to give my half heartful thanks to Mr. Chinai, Mr. Kapadia, his two other friends and the President, who were very kind in refusing to accept my invitation. Of course, I cannot blame them for their refusal as they have good reason to do so. For this I have to blame Mr. Kothari, Woodlands Hotel and the President of the Coimbatore Chamber of Commerce, who did not help me to take them as my guests. Then I have to thank Mr. Mangaldass Mr. Sariah, and other members who have graced this occasion by their presence. In order not to forget at the last moment, I thank all the guests who have come here for this party, sacrificing half an hour or one hour of their precious time. Of course when so many friends engaged in business and industry have come here from thousands of miles away - while they are not able to spare even a minute at any place, - and while several official and non-official friends have come all the way from Madras and other places, our friends in this town won't find it tedious to attend this function, and they have so much desire to hear the industrial giants with ripened experience.

Now, there will not be anything substantial in my speech to be liked by all. There may be some facts which may interest only a few friends. Let it be any way giving any meaning from my dry language.

But all of you will have a good opportunity to hear the valuable advice from the President and all the Members.

I want to say here that the President and other friends are really interested more in the Chambers of Commerce in other towns than in their place. They are interested in other parts of the country than in that part of the country where they live. Therefore they will not give the excuse that they want to go to train or so. They will give their views, staying here for two or three days more. On behalf of the guests assembled here, I request all the Members to give their sound advice, which they have gained by their experience. Even if it takes 6 hours or 10 hours, all the guests are willing to hear without moving from this place

Day-before-yesterday our President addressed the Rotary Meeting. There, he explained the formula about **Private Sector** and **Public Sector.** These names, I think, are given by the Government without caring for the proper or the right meaning.

At that time I asked this question:

"Our Government have spent Rs. 2200 crores in the First Five Year Plan and would spend more than 4500 crores in the present Second Five Year Plan – out of this sum, how much benefit or return the public

or our country have got or expect to get? Will the sum spent by the Government, when compared with the benefit dreamed, be equal to the benefit the country will get if spent by the private sector? To tell you clearly :- If the Private Sector spends say Rs. 100/- for a work or for a scheme or for a plan, the public or the country gets a return or benefit valued at Rs. 100 and something more or a little less. Taking for granted the benefit returned is 100 per cent, if done by the private sector, how much percentage of benefit is to be expected for the country for the amount now spent by the Government? For this the President replied very briefly. I was not satisfied then. Perhaps, the President, the Members and even the majority of the people do not want to go against the current of events, as is described by a Tamil Proverb. Of course, people who are in very responsible positions should be like that. Otherwise, no one can get on in the present day world.

Now, I have not got any responsibility and I am the poorest prince, living in high style, giving pin-pricks to the eyes of the tax people, who think that the printed papers and moulded coins alone form the wealth of a man. I have failed in my young age to spend liberally for my convenience and comforts and the same for others too when I had sufficient material

wealth with me. As a punishment for not enjoying the lazy life at that time, I am now living with comforts only, by the wealth of knowledge gained in the course of practical experience, which cannot be shaked off by any ordinary means. Standing in that position, I have no fear and I have no hesitation to speak out anything that occurred in my mind, whether useful or not, whether accepted by others or not. Therefore I am myself answering that question:

If we compare the benefit to be obtained by the country if a work is done by private sector with that obtained if the same work is carried out by the Government, we will find that the country has derived only 37 per cent benefit. If the Federation or the Government want to oppose my view, I am prepared to spend any number of hours to establish my point. If the President and Members do not accept my view, let them give out theirs. If you agree with me, then why not the Federations all the associations and Chambers of Commerce ask the Government to leave the work in the hands of private sector, so that the return will be 100 per cent? Because everyone will agree that the Government have not got experts like those we have in the Federation or in the private sectors. Further if the Government become a tool in

the hands of the Federation, then the return for the country, instead of 37 per cent if done by Government, we will get 137 per cent by doing the same under private sector.

Unfortunately, at present the drama is staged in the reverse direction i. e. the Federation has become a tool in the hands of the Government. For some reason or other, this tool is refusing to tell and show the real facts to the Government. Not only this Federation, but also the Congress Party, which is the back bone of the Government is also refusing to tell the real facts to their heads on account of some fear. The innocent public also are not putting forward their ideas and the results they got.

Now I do not think that the Members in the Federation or in the Chamber of Commerce, are not able to live on with what they have in material wealth or the wealth in the form of knowledge. They need not work any more. No one is compelling them to do any work. Then I don't know why they should undertake such responsibilities facing such rude obstacles, while no one is getting full benefits for the troubles and expenses. None need to fight. If they keep quite, then only the Government will understand and realise their real defect. Then if the Government takes the advice of the Federation, they can run the Government

on a thornless road. If the Federation, even after seeing this experience for so many years, still do not take any such action, they will be held responsible to the country for the offence of allowing such great waste to continue even after the experience in the First Five Year Plan. Though I am not an authority and though my knowledge is an atom when compared with that of huge industrialists and economists, we are all very eager to know the facts clearly from the Chief Guest and other friends, who are here now.

If the Government really think or understand after their trial and experiments so far, that they are not able to carry out the plans to the full satisfaction of the country and the public and if the Government think that they are not experts in industry or business, they could have done very well to nationalize the Tatas, Birlas, Singhanias and numerous other experts in other walks of life and hand over the burden of their industrialisation, development of agriculture and solving of unemployment problem. I don't think any one will refuse if the Government is sincerely willing to nationalize them. Every one will surely cooperate. But instead of such actions, when the government have not got any ability to draw up schemes with experts or with skilled

personnels, I am sorry they are nationalizing industry and business one after another with some lame excuse. They also threaten the country with other nationalizing schemes. Perhaps if the Government takes up only the works connected with Iron, Steel and River Valley Projects, if they do not draw a plan of 5 years scheme, if they had not levied crushing incometaxes and other taxes, if they had allowed the industries, agriculture and other business to go in their usual course, by this time the country could have got atleast double the benefit of what we see now. No doubt, when we compare the expansion of the industries, development in agriculture, and numerous appointments provided to several unemployed people, we have to appreciate the Government to some extent.

In the very beginning when political independency was attained, if the government have consulted the Federation with full confidence, as how to develop the industries, and agriculture and how to raise the standard of living in the country, without levying the terrible taxes, which has done great havoc in numerous cases causing numerous misunderstandings and if they have had the cooperation of England and America, we could have developed India to what Germany and other countries have developed after the war i. e. to a very high

standard. Then we need not fear about Goa or Pakistan or any other country in the world. There will be no necessity for appointing Linguistic Commission, Language Commission and State Reorganization Commission, as the standard would have raised equally throughout India.

Now many of our friends have asked me the reason for my persistence to extend the invitation to these guests to come here. All of us know that the people now are fighting for separation of States. Seven or eight years back, when the Linguistic Commission came here, while all our friends supported the separation of the country on language basis, I vehemently opposed such separation as it would be a difficult problem to separate exactly on linguistic basis to satisfy all the languages, which are about 200 in number and which are mingled and mixed within the whole of India in every nook and corner. I also mentioned my candid opinion at that time itself, i. e. to divide the country into 4 or 5 States only, for the convenience of administrative purpose, of course not as suggested recently by leaders to separate into 5 regions only to advise the Centre with no other powers, which is worse than linguistic separation. I suggested 5 States with full powers within their area with an arrangement for combined administration

in Army, Sea and Air-Force, communication and foreign connections.

Now the present trend of the people in the South is that the South should be separated from the North. Even amongst Congress leaders, this idea is growing; but they do not come to the open market. There are few reasons and they are silly. By a little thought, the Government can eliminate such elements. I am sure they are going to allow this tie to grow up. The people, instead of asking for removel of such obstacles, are going to fight against the Government for the separation. It is not the fault of the people. Eventhough I am a strong opponent to this idea, I think the Government may drive me also to join this fight and I am afraid numerous others also will be driven to the same plight.

If we try to see the general reason for all these troubles, the party politics, various controls, taxing the people in numerous ways, imposing Hindi language all on a sudden, giving more importance to that language than their mother tongue, not paying heed to advice from experienced experts of institution like this Federation, hurried enthusiasm in nationalization and schemes, while the Government or people are not fit for such activities, I think it will be necessary that the Government should take the sane advice from this Federation

atleast in the current Second Five Year Plan.

Yesterday in a Party, Mr. Ramanathan Chettiar said that we are not fighting for separation of South from North or North from South; but we want that the industries should be started in undeveloped areas. I appreciate his idea, but I am not able to understand it clearly.

Now, several friends are raising a question 'why all the steel factories are started in the North and why not one in Salem, where there is enough iron ore? Why a big dam is constructed in Hira Kud and why not they construct a similar one in the South?' We can't expect to start an iron and steel factory at Dharapuram in this District, which is an undeveloped area by bringing iron ore from Salem and coal from Bengal. We can't bring Ganges water to start a Hydro-Electric Scheme in Ramnad and Tanjore. I don't think there is any use in blaming the Government or anybody for this.

There are difficulties in starting several industries and institutions in undeveloped areas, where they are needed, in the kind they need and suited to them. In the 2nd Five Year Plan we see some new schemes – for instance a small-scale industry plan with a big idea behind. If we go through

this carefully, the ways and means devised for carrying out this scheme, nobody knows where to start and in which stage it will end. The intention of the scheme is to start small-scale industries with a capital of about 10 thousand, 20 thousand, 1 lakh or 2 lakhs and less than 5 lakhs. I understand that the sanction will be given for purchasing only one machine, for which the government will finance. No small-scale industry can have one single machine for one lakh, 2 lakhs or 5 lakhs. Then what is the use of this scheme?

For starting the industrial estates, I don't think any useful purpose will be served by the mobile workshops demonstrated as in touring cinemas or the industrial estates started according to the present plan. The industrial estates, which are expected to serve a few workers only, will serve as a resting place for those who have no houses to live in.

Then about the several types of educational institutions, I have to say that they would also produce very poor specimens of our youngsters, who have to register their names in the Employment Exchanges for seeking another job to get living salaries, while they have got engineering degrees and diplomas from the Institutions and while they are already employed on a meagre salary in the existing institutions. Therefore

it is no wonder more than 30,000 applications are received for 200 posts.

Already the very valuable manure in cowdung from which a more useful gas can be extracted to give more concentrated heat than the heat produced by burning the dried cowdung itself is being lost everywhere in our country. After the extraction of the gas, the value of the manure is not lost in the cowdung. It can be used as regular manure without any loss. Instead of using in such a way, the cowdung is directly burnt to fight the firewood famine. As some friends calculated, the Amber Charka also may be used as firewood, one day as the cowdung to fight the firewood famine.

I am not blaming the idea underlying in these plans. But I say that no suitable and liberal ways or means are provided in the schemes to carry out the plan successfully. The idea of rural development and the development of undeveloped areas is very nice. Is it possible or advisable to start industries or institutions or Government Offices in places like Bombay, Madras, Calcutta or Delhi, which are already over burdened? To dig bore wells where there is no water, to make roads where there are no vehicles to drive, or to teach social education where there are not sufficient people worth the name, who are able to read and write or understand

and follow - are these going to solve our problems? If additional industries or institutes are started in rural areas, those areas will automatically develop.

In the same way everyone knows that South India is an undeveloped area in the industrial sense. We have to develop several industries, which can give a fillip with an additional income to the already starved people. No scheme is provided for this in the Second Five Year Plan except a doubtful scheme of Neiveli. This want is reflected in the minds of the public in the shape of separation of North and South. Even in this case, none is to be blamed except ourselves.

Before Tata, as a single man, started the Iron and Steal Factory, that part of the country was a complete undeveloped area, while South India was in a better state than that at that time. Then, after the starting of Steel Industry and Spinning Mill by a single Tata, Birla, Dalmia, Lala Shri Ram, Walchand Hirachand, Kanthuboi Lalluboi, Mr. Podur, Mr. Singhania, Mr. Kirloskar and Mr. Mangaldass who are industrial geniuses and who are sitting here, many of the undeveloped areas have developed tremendously in industry and welfare. What are we doing here?

Yesterday Raja Sir M. A. Muthiah Chettiar mentioned that - if we look at

South, Coimbatore alone looks like an industrial city. Of course Madurai, Madras, Mysore and Cochin look like industrial heavens for us. At the same time the Rajah mentioned that if we stand in the North and compare industries of the North with that of the South, Coimbatore and other cities appear very small or rather an atom.

Our President yester-day, seeing a few industries on the Avanashi Road, Shanmugam Manram and a few houses developed on the side bordering the Cement Road and the latest addition to the Coimbatore Town, developed by Ratnasabapathi Mudaliar, the father of our city, said that Coimbatore has developed tremendously in recent years. Perhaps he may be thinking that it can develop even more than Jamshedpur or any other industrial city in India. I think the Cement Road from Aerodrome to Coimbatore has misled our President. He has not yet seen the inside of the South India. I hope he will see and do something. Am I not right in saying that we have to blame ourselves? Who prevented us from starting any industries before the war or even in the post-war period?

I want to give one other example. I spent most of my time in the Western countries in selecting most useful materials suitable for the small-scale industries

described in the Five Year Plan. I had negotiation with our State Government, Andhra Government and Orissa Government. On the every day of my arrival at Coimbatore, I saw an Officer from the Orissa State here to discuss with me the plans to start the schemes in their State. Andhra State was equally keen on starting small industries and officers of that State have come and taken particulars regarding such industries. On the way to Ooty, the Commander-in-chief paid a casual visit to this training hall. He left Coimbatore on the 5th. He deputed an Officer immediately to see and learn the methods of training given here. That Officer is here for the last two days. Unfortnnately our Tamilnad Government has not yet come to any conclusion. Then why to blame?

Of course same as Tata, here also there is our Raja Sir Muthiah Chettiar, his brother Chidambaram Chettiar, P. S. G. & Sons, Dr. Alagappa Chettiar, C. Rajam of Madras, Harvey Bros., Binny & Co., Cement Companies by Dalmia and Sankaralinga Iyer, Associated Cement Co. and some others. Long ago they started some industries and other institutions.

If we see the Directory of Industries and Commerce, we can read thousands and thousands of names of people who followed

Tatas and started numerous industries in Calcutta, Delhi, Bombay, Ahmedabad, Kanpur and other places. Here how many have followed? We can count them on fingers. One Mr. Balasundaram has started Textool and Diesel engine industry, Mr. Ramakrishnan started Ramakrishna-Industrials, Mr. Narayanaswami Naidu started the Dandayuthapani Foundry, Mr. Nejedly started the Praga Button Factory, a similar button factory was started by Mr. Kondaswami, Mr. Subbiah started Iron Foundry and few others started small industries such as Asbestos Sheets making etc. We have many youngsters here who are able to provide capital and have good foreign knowledge, but who are not doing any substantial industrial business.

For instance, Mr. G. R. Govindarajulu, our President of the Indian Chamber of Commerce, Coimbatore has started a high school and is going to start a girls' College also, to produce weak specimens of girls, who are already in poor health. He is very reluctant to start a Medical College, instead of a girls' college and to bring Siruvani drinking water to his area, while he has got ability, influence and capacity. He is himself so reluctant and more so are the other youngsters. You may decide who is to be blamed? I hope he won't misunderstand me.

Now the Government have prepared the Five year Plan; the Federation is prepared to give their valuable advice; our Minister for Commerce and Industry Mr. T. T. Krishnamachari is prepared to sanction some industry to be started in the South, eventhough he has obstacles and difficulties. In that case, why should we fight in the name of South, North, East or West? Of course, we have to fight for the independence of administrative powers as mentioned before, which is rotting at present with enormous waste on account of whole sale power in the hands of the Centre. Of course we have to fight for avoiding the wastage and the unnecessary thrusting of Hindi language, while the people are after their mother tongue and English.

If we take the land reforms into consideration, what is the use of splitting the land into acres and cents and giving them to individuals by the power of the Act or getting charity in the name of Bhoodan? Is it possible to increase the production to satisfy the needs of the country? Is it not fair to combine all lands in a village in one group and work on co-operative basis as is done in California and other western countries?

There are and were eminent leaders such as Sir A. Ramaswami Mudaliar, Sir A.

Lakshmanaswami Mudaliar, Sir M. Visvesvaraya, Sir C. V. Raman, Sir P. T. Rajan, Sir C. P. Ramaswami Iyer, and our C. S. Ratnasabapathi Mudaliar, Mr. K. Srinivasan of Hindu, Mr. C. R. Srinivasan of swadesmitran, Mr. S. S. Vasan of Gemini, E. V. Ramaswami Periyar and Mr. C. N. Annadurai, and the late Sir R. K. Shanmukham Chettiar, Mr. T. A. Ramalingam Chettiar, Sri V. C. Vellingiri Gounder. We can count them on our fingers. Can you find out any more? Though they are and were able leaders and administrators, on account of several obstacles, such as religious differences and political differences, they are and were not able to do anything substantial. If all these join together, do you think anything can come across in the way of development of our country? Hence we cannot blame anybody here. We have to blame ourselves. I hope by seeing and taking the cooperation of the members of the Federation, who developed and are developing gigantic industries, our leaders, leaving aside their differences, will join together with full cooperation and guide the youngsters to raise the standards in all walks of life.

THANK YOU ALL.

Reply by

Sri LAKSHMIPAT SINGANIA,

President, Federation of Indian Chambers of Commerce.

Mr. Naidu, Friends,

I am very much obliged to Mr. Naidu for giving this opportunity, of speaking in this function. I must confess that I have not got that knowledge and experience which Mr. Naidu has got to reply all those points which he has mentioned. Probably he had mentioned all those points as in world's parliament, not in Indian parliament alone and I am little capable of replying all of them. I must confess first, Gentlemen, Mr. Naidu, was good enough to ask me immediately after the recent meeting in Delhi that we should hold a meeting in Coimbatore. And my first reaction, I do not know why, probably his spiritual power or power behind him is so great, have attracted me to ask him to send us invitations and committee will definitely consider to hold the meeting at Coimbatore. He was good enough to send invitation and also the Committee was overpowered by his power as you say to accept it immediately to hold this meeting here. Therefore I must say, that he has got some spiritual power behind him and therefore he is a genius. Well, if he is a genius, you can't

produce so many geniuses in a country, and of course, what is necessary is that they should utilize the best experience to the benefit of the country. I will only like to criticize others. But it is very difficult to do a job. I have seen so many placards here and they are very attractive and very instructive. But I would like Mr. Naidu, with all his experience and geniusness, he should follow some of them himself. I do not wish to make any long speech nor I am competant to do so as I have confessed in the very beginning. Because I do not want to, first of all, as I have said, I am not capable of discussing all those political problems, because I must confine myself to my own problem which is so vast that it is impossible for a human being to study even one branch. I will only request Mr. Naidu that after all in our country we have got a democratic setup and a republic government. The people of government have been selected by us because, we have all franchised. We have sent them to the parliament, we have sent them to the councils, and assemblies and everywhere and we have brought them to the parliament and we must accept all the responsibility what we have done, It is no use of throwing the blame on somebody else. If we are not satisfied with them, the ballot boxes are there. It is not only a question of only

fighting or criticizing and also it is a question of ballot box and it is a question of public opinion. If the public is not satisfied then they will send there other representatives with whom they are satisfied. But so long, public is satisfied with them, so long they are in power, at least the people like them there is no question that they are absolutely wrong. Because the majority is right and minority is always wrong, may be whatever it is – This is democratic setup. I will only request Mr. Naidu one thing of all, that is, that what so ever may be the development, industrial growth in this country cannot be stopped. And he must consider whether it is to be done by the state, whether it is to done by the individuals, or by anybody who so ever is capable of doing it. Therefore, it is only for our self satisfaction, that we can ask, we can plead, we can tell others that he is right or he is wrong. It is a question that one has to take a job in his hand to do it.

I only want to reply one charge which he has laid against me, that is the Federation is a tool in the hands of government and I must inform my friend that this charge is not correct. I had no desire to contradict his statements but this is a body of free people and have courage to express their free desire and "Free Will". We have got freedom of speech in our country,

in our constitution, and we are going to take the full advantage of the constitution provided in India. But, we are law-abiding people, and we should learn discipline to be remaining in the constitution and only that in the constitutional matters and not other wise. Otherwise will bring chaos to the country. And we must run in that channel in which we can create discipline in the country and bring happiness and also economic freedom in the country. I have nothing more to add gentlemen, and I must thank Mr. Naidu again and again for giving us such a wonderful party and also giving us so much time of dictating and tackling of such a wonderful, such a long, such a heavy speech which, many of us sitting here are only pure gentlemen, probably will not be able to digest every of those items in your mind. (Cheers). Therefore it is a very heavy task he has done and I must congratulate him in giving that thought and attention at time to do all that. I, on behalf of my colleagues, offer my most heartfull thanks to Mr. Naidu for giving us this wonderful party and at the same time for giving us this opportunity to meet all of you And also Coimbatore will remain in our memory for a long time because we are very much impressed by the people and the place and what we have seen here.

Thank you very much. (Cheers).

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